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INTELLIGENCE MEMORANDUM

The Situation in South Vietnam (As of 3:30 P.M. Est)

- 1. The political situation appears to be rapidly worsening to the point where the Ky government must either take drastic action to try to restore its authority or agree to major concessions to its Buddhist opponents. The seizure of the secretary-general of the Directorate, General Chieu, by antigovernment elements in Hue this morning has pointed up the almost total lack of responsible authority in I corps, and protest activity appears to be increasingly spreading into II Corps and even into the delta.
- Hue and Da Nang were outwardly quiet as evening approached, but a civil servants strike was underway in Hue, and new protest activity was being promised in both cities. Both the Hue and Da Nang radio stations continue to broadcast anti-government and anti-American propaganda, with Da Nang students declaring that their ultimatum to US authorities had expired and thus tendering the possibility of actions against US installations in the city. In II Corps, student demonstrators today attempted to seize the Dalat radio station, Buddhists protested in Pleiku, and demonstrators in Qui Nhon challenged the compatibility of US military bases with Vietnamese sovereignty. Following earlier Catholic statements of dissatisfaction with the government, the Cao Dai political religious sect in the delta today added its voice.
- 3. General Chieu, meanwhile, is now reported to be staying in General Thi's residence in Hue, along with Police Director Colonel Lieu. There is some speculation that Chieu has been released by his struggle forces' "captors," and may return to Saigon tomorrow.

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Chieu is now being hailed by the Hue students as a "comrade-in-arms" after making a public address on the Hue radio station in which he praised the goals of the "struggle movement." However, Chieu's remarks were a carefully worded statement of the mutuality of government and civilian goals while defending the military's more cautious approach to introducing representative government.

4. The increasing acts of defiance, however, seem likely to force the Ky government to an imminent decision as to whether to move forcibly to re-assert control, or to make further concessions in an effort to end unrest. Ky's own inclination has long been toward a tough stand, but he is aware of the possible pitfalls of merely playing into the hands of his

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Although Ky claims to

have some Buddhist and other religious backing for his current plans to set up a partially representative constitutional drafting committee, Buddhist assurances in the past have meant little, with partial concessions often generating stiffer Buddhist demands. Moreover, attempts to translate such agreements into practical steps could merely lead to new frictions among rival religious and political groups.

6. At this point, any diminishing of public agitation other than by the imposition of force would almost certainly require a decision by the Buddhist

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leadership that it stood to benefit from further efforts to reach a compromise with the government. The more moderate Buddhist faction of Tam Chau in Saigon has offered some hope in this direction, but the key figure in the current agitation is Tri Quang, who may well succeed, as in the past, in dragging Chau with him. Quang's intentions are still not clear; he may be determined to topple the government, or he may be content, as he maintains privately, with measures which will assure a more orderly, but rapid, return to civilian rule. He probably could exert sufficient influence to quiet the situation in I Corps, but he may now be too deeply committed to retreat.

of whether Ky attempts and succeeds in the use of forceful measures to restore order or yields to Buddhist pressure, the position of the present government will be weakened by recent events. Ky today reportedly told a crowd in the delta that he was declaring all further demonstrations illegal and would use force to prevent agitation. He also held out the threat of resigning if he did not succeed. This threat may not be an idle one, but even if Ky yielded to another general as premier, the opposition to the present regime would probably not diminish while Chief of State Thieu and Deputy Premier Co remain key members of the Directorate.

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